

# HOUSE BILL No. 1777

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1-12-9.

**Synopsis:** Increases property tax deduction for seniors. Increases the assessed value deduction for the elderly from \$1,000 to \$5,000. Limits the deduction to one-half the assessed value of the real property. Increases the income level to qualify for the deduction from \$20,000 to \$35,000.

**Effective:** July 1, 1999; January 1, 2000; March 2, 2001.

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January 26, 1999, read first time and referred to Committee on Ways and Means.

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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## HOUSE BILL No. 1777

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 6-1.1-12-9 (CURRENT VERSION) IS AMENDED  
2 TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 9.  
3 (a) An individual may obtain a deduction from the assessed value of  
4 the individual's real property, or mobile home which is not assessed as  
5 real property, if:  
6 (1) the individual is at least sixty-five (65) years of age on or  
7 before December 31 of the calendar year preceding the year in  
8 which the deduction is claimed;  
9 (2) the combined adjusted gross income (as defined in Section 62  
10 of the Internal Revenue Code) of:  
11 (A) the individual and the individual's spouse; or  
12 (B) the individual and all other individuals with whom:  
13 (i) the individual shares ownership; or  
14 (ii) the individual is purchasing the property under a  
15 contract;  
16 as joint tenants or tenants in common;  
17 for the calendar year preceding the year in which the deduction is



1 claimed did not exceed ~~twenty~~ **thirty-five** thousand dollars  
 2 ~~(\$20,000); (\$35,000);~~

3 (3) the individual has owned the real property or mobile home for  
 4 at least one (1) year before claiming the deduction; or the  
 5 individual has been buying the real property under a contract that  
 6 provides that the individual is to pay the property taxes on the real  
 7 property or mobile home for at least one (1) year before claiming  
 8 the deduction, and the contract or a memorandum of the contract  
 9 is recorded in the county recorder's office;

10 (4) the individual and any individuals covered by subdivision  
 11 (2)(B) reside on the real property or in the mobile home;

12 (5) the assessed value of the real property or mobile home does  
 13 not exceed twenty-one thousand dollars (\$21,000); and

14 (6) the individual receives no other property tax deduction for the  
 15 year in which the deduction is claimed, except the deductions  
 16 provided by sections 1, 37, and 38 of this chapter.

17 (b) Except as provided in subsection (h), in the case of real property,  
 18 an individual's deduction under this section equals ~~one~~ **the lesser of:**

19 **(1) one-half (1/2) of the assessed value of the real property; or**

20 **(2) five thousand dollars (\$1,000); (\$5,000).**

21 (c) Except as provided in subsection (h), in the case of a mobile  
 22 home which is not assessed as real property, an individual's deduction  
 23 under this section equals the lesser of:

24 (1) one-half (1/2) of the assessed value of the mobile home; or

25 (2) ~~one~~ **five thousand dollars (\$1,000); (\$5,000).**

26 (d) An individual may not be denied the deduction provided under  
 27 this section because the individual is absent from the real property or  
 28 a mobile home while in a nursing home or hospital.

29 (e) For purposes of this section, if real property or a mobile home is  
 30 owned by:

31 (1) tenants by the entirety;

32 (2) joint tenants; or

33 (3) tenants in common;

34 only one (1) deduction may be allowed. However, the age requirement  
 35 is satisfied if any one (1) of the tenants is at least sixty-five (65) years  
 36 of age.

37 (f) A surviving spouse is entitled to the deduction provided by this  
 38 section if:

39 (1) the surviving spouse is at least sixty (60) years of age on or  
 40 before December 31 of the calendar year preceding the year in  
 41 which the deduction is claimed;

42 (2) the surviving spouse's deceased husband or wife was at least

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sixty-five (65) years of age at the time of a death;

(3) the surviving spouse has not remarried; and

(4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(6).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

SECTION 2. IC 6-1.1-12-9 (DELAYED VERSION) IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 2, 2001]: Sec. 9. (a) An individual may obtain a deduction from the assessed value of the individual's real property, or mobile home which is not assessed as real property, if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed ~~twenty~~ **thirty-five** thousand dollars ~~(\$20,000); (\$35,000);~~

(3) the individual has owned the real property or mobile home for at least one (1) year before claiming the deduction; or the individual has been buying the real property under a contract that provides that the individual is to pay the property taxes on the real property or mobile home for at least one (1) year before claiming the deduction, and the contract or a memorandum of the contract is recorded in the county recorder's office;

(4) the individual and any individuals covered by subdivision (2)(B) reside on the real property or in the mobile home;

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(5) the assessed value of the real property or mobile home does not exceed sixty-three thousand dollars (\$63,000); and

(6) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, 37, and 38 of this chapter.

(b) Except as provided in subsection (h), in the case of real property, an individual's deduction under this section equals ~~three~~ **the lesser of:**

**(1) one-half (1/2) of the assessed value of the real property; or**

**(2) fifteen thousand dollars (~~\$3,000~~): (\$15,000).**

(c) Except as provided in subsection (h), in the case of a mobile home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the mobile home; or

(2) ~~three fifteen~~ thousand dollars (~~\$3,000~~): **(\$15,000).**

(d) An individual may not be denied the deduction provided under this section because the individual is absent from the real property or a mobile home while in a nursing home or hospital.

(e) For purposes of this section, if real property or a mobile home is owned by:

(1) tenants by the entirety;

(2) joint tenants; or

(3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

(1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;

(3) the surviving spouse has not remarried; and

(4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(6).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the

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1 deduction multiplied by a fraction. The numerator of the fraction is the  
2 number of tenants who are not at least sixty-five (65) years of age, and  
3 the denominator is the total number of tenants.

4 SECTION 3. [EFFECTIVE JULY 1, 1999] **IC 6-1.1-12-9, as**  
5 **amended by this act, applies to property taxes first due and**  
6 **payable after December 31, 1999.**

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